

HOUSE BILL 2891
By Pruitt

AN ACT to amend Tennessee Code Annotated, Title 71, Chapter 3, relative to aid to families of dependent children.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The purpose of this act is to create an opportunity for AFDC recipients to build assets as a transition to self-sufficiency, to encourage AFDC recipients to secure and maintain employment, and to provide the support necessary for AFDC recipients to make the transition from welfare to work.

SECTION 2. Six (6) urban and six (6) rural communities in Tennessee, two (2) of each in each grand division of the state, will participate in an individual development account (IDA) demonstration project.

SECTION 3. In the selected communities, AFDC recipients may deposit up to five thousand dollars (\$5,000) in special savings accounts for career development goals such as post-secondary education of themselves or their children, small business development, and home ownership purposes. For a five (5) year period, these funds will not be counted against the asset limit of the participant when determining their eligibility for AFDC or related benefits.

SECTION 4. For those AFDC recipients who are not employed, they will not be eligible to receive matching fund donations into their IDAs.

For those AFDC recipients enrolled in a job training/placement program eligibility for matching funds will begin upon completion of their training/placement plan and successful placement in a job.

For those AFDC recipients who secure employment while participating in this project, their development accounts may begin to be matched immediately.

Matching funds may be secured from public and private funds up to a 9:1 ratio. Funds may be set aside from the state treasury to match participant savings.

SECTION 5. To be eligible, demonstration project participants must be a member of a group of who meet twice a month to make contributions into their IDAs and receive support, training and technical assistance to ensure they secure and maintain employment while building their IDA accounts.

SECTION 6. State funds can be allocated to existing state and local agencies to implement the program and for the technical assistance, administration expenses, and necessary matching funds related to operation of this pilot program.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

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